

**U.S. Department of Justice**

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**NEWS RELEASE**

**FOR RELEASE:  
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Norfolk, Virginia—Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today that Frederick Lee Laws, age 59, of Chesapeake, Virginia, entered a plea of guilty on January 28, 2003, in U.S. District Court in Norfolk, to a criminal information charging him with one count of conspiracy to defraud the United States. Sentencing for Laws is scheduled for April 23, 2003, in U.S. District Court in Norfolk. He faces a maximum penalty of five years in prison, a \$250,000 fine, and three years of supervised release.

The evidence presented at the guilty plea hearing showed that Laws fraudulently obtained monies of the United States while representing the Department of the Navy in the procurement of goods and services through the award of contracts and other matters. Records of the defendant's government credit card showed he had used his government credit card to purchase tools for his personal use and that between August 1999 and August 2001, while managing a Space and Naval Warfare Systems Center Charleston (SPAWARS) contract, he awarded 65 scanning contracts and one data analysis contract to Data Management Services (DMS) for a total of \$310,032.89.

As outlined in the government's statement of facts, further evidence pertaining to DMS revealed: (1) the defendant recommended DMS to perform scanning services for the United States Navy and gave his spouse's maiden name as the contact for DMS; (2) the owner, registered agent, and sole employee of DMS was his wife, also employed by the government; (3) DMS was established in April 1999 specifically to conduct scanning projects for SPAWARS; (4) the defendant's wife's maiden name was used on all correspondence from DMS; (5) the defendant used his government credit card to make repeated payments to DMS for scanning projects that had not been awarded through a competitive bidding process or other appropriate means; and (6) the defendant intentionally kept these credit card payments under \$2,500.00 so as to avoid detection by his superiors.

The investigation of this case was conducted by the Naval Criminal Investigative Service and the prosecutor handling this case is Special Assistant U.S. Attorney Christopher Dopke.